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rency for the present bond secured circulation. Elasticity in this currency could be expected only if certain other reforms accompany its adoption (page 135), and in any event this measure is by no means to be regarded as a cure-all for our ills. The chief advantage of this measure would be to open the way to the government to retire bonds as this might be required to enable it to reduce its treasury surpluses, or its surplusage of balance with the central bank. Means are suggested for making feasible the transition to an asset currency.

In his last chapter the author discusses the limitations in powers which should distinguish the American central bank from one of the European type. In a general way, our central bank should merely serve as a sort of national clearing house, keeping accounts with other banks only, and designed to make advances to them only in times of strain,—advances analogous to clearing house loans. The author's comprehensive and intimate knowledge of his subject is apparent in both his critical and constructive writing. Every specialist interested in the question of American banking reform will as a matter of course give this book careful consideration if he has not already examined the articles which compose it.

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*A Rational Banking System: A Comprehensive Study of the Advantages of the Branch Bank System.* By H. M. P. ECKARDT. (New York and London: Harper and Brothers. 1911. Pp. 329.)

The purpose of this book is to show the advantages of branch banking in general, and especially to urge the desirability of adopting the branch bank system in the United States as a means of reforming our banking system. Canada furnishes an example of the working of branch banking. A very thorough and detailed account of the Canadian system and its successful operation is combined with a discussion of the many weaknesses of the American system. From these premises the conclusion is reached that many, if not all of our banking evils might be abolished by the introduction of branch banking together with note issue based on general assets.

The author is well qualified for his task by long years of practical banking experience in Canada and by extended study which has

made him familiar with the banking systems of the United States and other countries. The book is well written and interesting. The argument is clear, logical, and generally convincing. The author has no difficulty in showing the many weaknesses of our banking system, as he is here treading on ground that is already explored. Going further, he shows clearly to what extent the well known successes of Canadian banking are due to the branch system. The objections urged in the United States against branch banking are examined and answered, in particular the familiar charges that many bankers would be deprived of their positions of honor and responsibility, that local needs would be less efficiently served, and that banking monopoly and control by Wall Street would be encouraged. The positive advantages that would result from the adoption of branch banking by the United States are too numerous to be reviewed in detail. Taken together they amount to the claim that the introduction of branch banking, together with asset currency and certain other features of the Canadian system, would go a long way toward solving our whole banking problem, and would give us a system far superior to anything that we can hope to obtain through a central bank.

The reviewer has for some time felt that in our discussion of banking and currency reform too little attention is being given to the Canadian banking system. Without denying in the slightest the importance of studying European models, it should not be forgotten that in Canada we have a country whose economic (not to say political and social) situation approaches our own more closely than does that of any other country; that Canada enjoys a banking system of wonderful efficiency and perfectly adapted to her needs; and that Canada borrowed many features of her system directly from us, by copying a banking system which we had successfully developed, but on which we turned our backs at the time of the Civil War. If Mr. Eckardt's book succeeds in calling general attention to these facts, it will have performed a distinguished service. In any case it is a useful contribution to the literature of banking, and a book which should be read by everyone who is interested in the problem of banking reform in America.

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*Die Depositengelder in der Bankenquete.* By H. HARTUNG. (Berlin: J. Guttentag, Verlagsbuchhandlung. 1910. Pp. 143.)